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The Director of Central Intelligence

Washington, D.C. 20505

Executive Registry

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7 January 1984

*Memo
Chrono*

Dear George,

The pipeline you talked to me about at lunch on Friday has not been in operation since the partition of Palestine in 1948. There are two pipelines which may have had a total export capacity of about 150,000 barrels per day, and perhaps less. Our experts think that it would be most costly and time consuming for somebody to restore them than build an entirely new pipeline. Still, it would be quite a political signal to even begin restoration efforts, and the immediate impact of that step could make up for some loss in cost and time in getting a flow of oil there. Also, there seems to have been some talk about using portions of the Iraqi and Jordanian pipeline rights-of-way through Iraw and Jordan in a new outlet from Iraq through Al Aqabah. Details and a map are attached.

Yours,

WJC

William J. Casey

The Honorable George P. Shultz
Secretary of State
Washington, D. C. 20520

Attachments

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Iraq-Jordan-Israel: The IPC Pipelines to Haifa

There are no operating crude oil or product pipelines linking Iraq with the Mediterranean through Israel although the Iraq Petroleum Company (PIC) built two crude export lines--one in 1934 and the other in 1948--linking the Kirkuk oilfield with Haifa through Jordan. No crude oil has flowed the length of the pipelines since the partition of Palestine in 1948 nor could these lines be restored to operating condition in our judgment.

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The Kirkuk-Haifa pipelines were part of the Northern Iraq/Mediterranean Pipeline System built by IPC between 1934 and its takeover by the Iraqi government in 1973. The remainder of the old IPC pipeline system passes through Syria to Baniyas and the Lebanese port of Tripoli and has also been closed by Damascus since the early days of the Iran-Iraq war. All of the old IPC pipelines pass through three still operational pumping stations--K-1, K-2, and K-3--in Iraq between Kirkuk and Al Hadithah. The parallel 12 and 16 inch pipelines that comprise the Haifa connection continue in a southwesterly direction to the last pump station near Qaryatain, Jordan, then west to Haifa. At their peak, these two pipelines may have had a total export capacity of about 150 thousand barrels per day based on our rudimentary understanding of the pipeline size and the number of pump stations.

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We do not believe any portion of the pipeline from Al Hadithah to Haifa is currently operable. Moreover, we believe that efforts to restore these pipelines would probably be more costly and time consuming than building an entirely new line. As of 1972, the last date for which we have any firm information on the pipelines' status, none of the five pump stations between Al Hadithah and Haifa--H-1 to H-5--were in use. Portions of the pipelines west of the last pump station were being used by the Jordanians to transport water. We suspect the Israelis have dismantled the lines in their territory to make way for development projects over the years. We also suspect that the unused Jordanian and Iraqi portion of the pipelines, shut down for more than 35 years, has been destroyed by the elements or, as has happened with the similarly unused Trans-Arabian Pipeline (TAPline), has been dismantled by nomadic scavengers.

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In exploring new Iraqi export options, there has been some talk that portions of the Iraqi and Jordanian pipeline right-of-ways could be used in a new Iraqi outlet through Al Aqabah. While this route could be used as an export outlet, industry

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